

FISCAL NOTE

Bill #: HB0319

Title: Revise credit union laws

Primary Sponsor: Lawson, B

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$0	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. This bill revises some of the laws regarding state oversight of credit unions.
2. Section 6: There would be no fiscal impact to the Department of Administration for examining credit unions on a department-approved schedule, as opposed to annually. Examiners still would be working full time on credit union examinations. This amendment would allow examiners to use time more appropriately by providing more on-site supervision of credit unions that present supervisory concerns. Presently, all credit unions must be examined each year. This bill would allow the department to avoid redundant examinations of credit unions that present few or no issues and that could legitimately go without an examination for 12 to 18 months.
3. Section 8 (5), and Section 9: There would be costs associated with the appointment of a conservator. Those costs would depend on the nature of the duties to be performed, the amount of time needed to perform the duties, and the length of time the conservatorship would exist. Under language in new Section 9 of the bill, costs of the conservatorship would be paid by the credit union, although the department could waive the payment of some or all of the expenses.
4. Section 18: There would be costs associated with a liquidating agent. The costs would depend on the duties and time involved in settling the affairs of the closed credit union. The bill deletes existing language in 32-3-321, MCA, allowing payment of liquidation costs from the assets of the credit union. However, new language the bill proposes for 32-3-205, MCA, restores the language. It is the intent to

Fiscal Note Request HB0319, As Introduced

(continued)

have the insurer of the credit union deposits appointed as liquidating agent. In cases with banks the insurer bears the costs, if any, of the liquidation. If there were no insurer, or if the insurer refused the appointment, liquidation costs in excess of available assets would have to be paid by the department. The department does not anticipate increased costs due to this amendment.

5. Section 25: Current law requires the board of directors or the executive committee to meet at least monthly, and the other body to meet at least quarterly. The bill continues the requirement that one of the bodies will meet monthly, but removes the quarterly meeting requirement for the other, requiring instead that meetings be held as needed. It is not expected that this amendment will have any fiscal impact.
6. Therefore, this bill has no fiscal impact.